

POURS WAR BLAME ON KAISER'S HEAD

Karl Kautsky, Socialist Historian, Explains and Defends First Position.

LET'S GERMANS OUT

Asserts That William Was Without Understanding of His Conduct.

BOTCH MADE OF RUSSIA

War Lord Accused of Misjudging England and Italy in Crisis.

Special Cable to THE NEW YORK HERALD, Copyright, 1921, by THE NEW YORK HERALD.

New York Herald Bureau, Berlin, June 18.

New impulses have been given to the debate in Germany over the question "Who Began the War?" by an article by Karl Kautsky, independent Socialist historian, who edited the Foreign Office documents while the radicals were still in power and wrote the most important condemnation of the Kaiser that has appeared in Germany since the revolution.

An outsider can hardly understand how pressing a question this matter of responsibility for the war has become to the Germans. At every new difference with the Entente the conservatives come to the fore with their old stubborn argument that the worst paragraph in the Versailles treaty is the one which establishes that the Germans deliberately provoked and desired the war. Without this paragraph, they argue, the Germans could not morally be bound to fulfill the remainder of the treaty. And it was one of the guiding policies of the Wilhelmstrasse under Dr. Walter Simons to try to change the world opinion about Germany's culpability.

Not the conservatives alone, but such men as Dr. Paul Rohrbach and Count Max Montgelas, who have been leaders in the democratic movement, are among the spokesmen for this "revise the world opinion" movement. Their aim is not to free Germany of responsibility but to guilt. That is, they draw a distinction between bad judgment having resulted in the war and the deliberate intention of having forced it.

Kautsky Backs Force.

In view of this discussion, which to Germans appears to be the most important they can bring to the world's notice, the evidence of a radical historian like Karl Kautsky is regarded as having supreme authority. And in recent political meetings the conservatives have made a great play of the fact that Kautsky himself revised his opinion about the Kaiser's war guilt.

Kautsky has been on a trip to Georgia, hence his contentions had to be defended by his Socialist colleagues. But now that he has returned he takes the stand in his own behalf. What he offers, while it is a technical refutation of the charges that he changed his opinion, remains one of the strongest statements to the credit of those who draw the distinction between responsibility and provocation.

Kautsky's answer to Prof. Delbrueck contains the statement: "I can make a confession that there was a time when I did the German Government an injustice. I was greatly astonished when I came to examine the Foreign Office documents. My original contention proved to be untenable."

But in the same pamphlet he says, "All of Prof. Delbrueck's critical attacks do not move me to change a single word of what I have written."

In an article in the *Freiheit* he now tries to bring these apparent contradictions into harmony. Kautsky's earlier opinion, he states, was that Germany must have known what she was about when she lent unequivocal support to Austria, so he concluded that Germany desired the war and deliberately provoked it.

"Put the Foreign Office documents," he now explains, "showed that William II. was wholly without a clear conscious opinion of the most obvious consequences of his conduct. He provoked Russia in the strongest manner in supporting the Austrian ultimatum and trusted that the Russian colossal would retire in the face of the Central Powers without drawing the sword and so the peace of Europe would be preserved."

One of the Kaiser's Bluffs. "He supported himself in this bluff by calculating that Italy and even Rumania would aid Austria in a war of conquest and that England would remain quiet while France was being destroyed, and so Russia would retreat, he thought. No moderately sober individual could have shared these expectations, but William conducted himself in this manner quite as he did on an earlier occasion when without much thought he insulted and provoked a great power and then collapsed when that power made a gesture indicative of war in reply."

"He collapsed also in July, 1914, when the inevitable fruits of his deeds became apparent and Germany was threatened with war against the entire world. He would gladly have retreated, but this time he came too late to a decision. He failed to whistle Austria back for the criminal idiots who made the Austrian policy in the Balkans were rejoicing over the fact that at last they were to get their war against Serbia."

"They were not able to accompany William on his leaps from defiant consideration to timid despair. They remained true to their narrow minded agencies. In the meantime William's policy resulted in mobilization by the whole world because each side feared an attack from the other. William's stupidity thereupon reached its climax. While the other side was mobilizing he declared war as not to destroy the last hopes for maintaining peace he believed the mobilization of the others forced him not only to mobilize but to declare war. And so he brought war to pass."

"This conception is the one I obtained from documents, and one which I have already expounded. But to repeat it, I declare that the archives responsible for that I hitherto had done the German Government an injustice for I had wrongly assumed that it went ahead systematically, deliberately with full consciousness of what it was doing, whereas in reality we find the policy of opportunism based on impressions of the moment without question as to the eventual consequences and with reliance on good luck. And then when things went badly, there was loss of self-command and grasping at the last straw."

"This policy was purely personal and William bears the entire responsibility, not the German people, who were themselves betrayed."

GIBBS SAYS CREDITS WILL ENABLE GERMANS TO PAY

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with France and worked to repair her ruin if her people had been a little generous, even a little courteous, after our defeat. But they have done their best, and are still doing it, to arouse feelings of enmity.

Charges Against French.

"In their occupied districts they have been needlessly arrogant. In Duisburg, which they took to enforce the signing of indemnities, they behaved with gross impertinence to the Mayor. Those are but pin pricks, but in their policy and in their press they have revealed hatred, a desire to humiliate and a ruthless injustice outrageous to our honor and dignity which make it impossible for the German people to be on friendly terms with them."

"They are deliberately stirring up a desire for revenge instead of seeking to allay the hatred of war."

He told me the French policy was seeking to repair three mistakes to which Napoleon confessed. Napoleon said:

"My mistakes were to let Prussia get strong, to let Poland be weak, and to misunderstand Russia."

French diplomacy now, said Herr Stresemann, was to weaken Prussia, strengthen Poland and dominate Russia by setting up a Czar as a puppet of France. But their policy, he thinks, will fail "because there is no tendency in Germany to break away from Prussia despite all the foreign hopes and intrigues, while Poland will always be weak and ready to fall apart because of the inherent instability of the Polish character. As for Russia, French puppets like Denikin and Wrangel failed miserably, and modern France more than Napoleon himself could not understand the spirit of Russia."

Foresees a Big Change.

Herr Stresemann went at length into the question of reparations. He held the view that after a few years, during which Germany will desperately endeavor to fulfill her pledges, the European people will realize the folly of maintaining such abnormal conditions of world trade and will call another conference to revise the whole peace treaty and will develop a scheme for an international economic union by which the interests of all European nations would be secured with a better arrangement than will, destructive competition with tariff walls and rivalries.

"The war debt of all the nations," he said, "could be wiped out in a few years by a small tax on raw materials like cotton and coal, paid by all purchasers and put in a common pool for that purpose."

In his opinion Germany, with the best will in the world, will be unable to continue the payment of indemnities for half a century. This will be recognized, he thinks, by the increasing common sense of European peoples.

That undoubtedly is the official view of the German Volkspartei, but it is challenged by Dr. Walter Rathenau, Minister of Reconstruction and probably the greatest German economist, who said definitely in the Reichstag: "We can pay," and by Philipp Scheidemann, leader of the Majority Socialists, with whom I had a talk in the company of his friend and adviser, Dr. Helfand, millionaire Socialist.

Leaders Far From Similar. Scheidemann, who helped to found the republic after the war, in which he was but a mild critic of German militarism and a staunch supporter of the imperial policy until the great wreck happened, is a man of distinguished appearance, not like Stresemann, who is a typical little Prussian with a close cropped, bullet head and a squat figure. Scheidemann is tall and looks rather like a French painter, with silver hair and a little pointed beard. So he seemed to me when I met him in Dr. Helfand's villa outside Berlin on the edge of a beautiful lake called Wannsee in the woods of Grunewald. It is not a bad spot for two elegant Socialists far from the madding crowd.

Herr Scheidemann's view of Germany's future, interpreted in voluble French with a tremendous German accent by Dr. Helfand, was optimistic on the condition that their people received peace and fair play from France and England. He said that in that condition, which is utterly essential, Germany could fulfill the terms of payment without much doubt.

"By the demobilization of the army," he said, "we are saving 1,800,000,000 gold marks annually, which would go some way in paying off the yearly tribute. We could save other sums by reconstructing the imports of luxuries and by more efficient organization."

Could Do Much if Helped.

"By intensive production and rapid trade development countries like Russia could pay their bill of cotton goods provided we are helped and not hindered. If Upper Silesia were taken—every German I spoke to returned to that subject as a keynote of all hope—Germany would be crippled and put out of business. If the Allies, and above all, the United States of America, were prepared to give German industry a free full chance we would wipe out all debts."

But, he continued, they must have credit and capital to renew the wear and tear of their machinery and rolling stock, which depreciated enormously during the war, and to develop their industrial possibilities. Russia was not only to mobilize but to declare war. And so he brought war to pass."

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Germany. Surely it was also the hope of Europe, whose common interests would be served.

Views of Business Men Given.

This argument Scheidemann and Helfand represent as that of the Majority Socialists, and, indeed, I think, most business men. It is reasonable and logical. If we want Germany to pay she can do so only in that way and by those means.

But I still wonder what will happen if she multiplies her exports five times as neatly that. Such trade would upset all other countries, I imagine, and we should cry out to preserve us from such gifts.

I reckon from all the figures I obtained from many sources that the German people are about two-thirds back to normal compared with pre-war conditions. That, after intense depression and utter defeat, is very wonderful. It is not a source of fantastic wealth as suggested by correspondents who make out that German industry is already producing vast fortunes. Dividends of 30, 40 and 50 per cent. sound magnificent, but in paper marks, which require fifteen to make one gold mark, come down rapidly in actual meaning.

Yet the big trusts like those of Stinnes, Krupp, Thyssen and a score of others, which represent the power of Germany to-day, have shown an astonishing genius in adapting themselves to new conditions and are prospering by enormous activities.

Germany's Growth in Trade.

Germany's import of cotton is now approaching half the amount she imported before the war. Last March she headed the list of cotton exports from the United States. She has multiplied her flux production five times.

German trade is increasing with nearly all countries. In February, compared with that month last year, South American trade with the whole of Europe decreased nearly 50 per cent., but with Germany it increased 20 per cent.

Half the amount of the present tonnage, though largely under foreign flags, is now coming to the port of Hamburg. All that spells recovery, and the great chance for German competition may be shown by a comparison of working wages in Germany and England.

In Germany expert mechanics are paid seven pence and a half penny an hour, or fifteen cents. In England the wages are two shillings an hour at least, or forty-eight cents. What are we going to do about that?

One thing is now being done in England. Really frightened at last by financial conditions, the British Government has come out for ruthless economies and for the complete abandonment of trade subsidies. Workingmen will be forced into the labor market in the old dreadful warfare between supply and demand and all employers are determined to beat down wages in the most drastic way.

The trouble between the coal diggers and the coal owners is at last being settled by a compromise after a ruinous conflict that discredited both sides, and the cotton and engineering trades are preparing similar action, leaving the same sense of bitterness in the minds of the working men and women, who see themselves forced down to a lower standard of life by irresistible powers.

Deplorable British Conditions.

A rapid decrease in the cost of living would soften these blows, but the heavy taxation and lost trade tend to keep prices high. At the moment as far as I can see and know the British Government has no clear principles or policy with which to lead the nation. There are so many conflicting interests in the Coalition that it is difficult for Premier Lloyd George, apart from the vagaries of his own mind, to steer a straight course. His enemies gather strength. Plots are on foot to dethrone him. Neither his foreign policy nor his home policy, whatever they may be, and nobody knows, from one week to another, seems to bring peace abroad or prosperity at home.

Apart altogether from politics, the English people, as far as I know them, are getting angry. During the last week or two there has been a sudden awakening to new perils abroad—in Asia Minor, where the Turks are gathering strength, and in Upper Silesia, where there is no settlement of justice and a realization that England must at all costs put her own house in order and balance her books.

And there is always Ireland as a disgrace and tragedy. When the English people get angry, which isn't often, things begin to happen. What will happen, I think, is a storm of indignation against politicians who are playing poker with the destiny of their own country.

AMUNDSEN IN NOME ON WAY TO SEATTLE

Will Continue Drifting Trips to South Pole.

NOME, Alaska, June 18.—Roald Amundsen, the explorer, whose ship, the *Maud*, wintered off Cape Serge, Siberia, arrived in Nome yesterday and will leave for Seattle on the first steamer, he announced. The *Maud* lost a propeller in the ice during the winter and will be towed to Seattle this summer for repairs.

The explorer, noted for his discovery of the South Pole and his many Arctic and Antarctic voyages said he would continue his efforts to reach the North Pole by drifting with Arctic ice floes as soon as repairs to his vessel were completed. He spent the winter on board the *Maud*, with one native and three white companions, and said the party experienced few hardships. With the explorer were the daughter of Charles Carpenter, a Siberian trader, and a young girl, whom he will send to school in Norway.

CHRISTIANIA, Norway, June 18.—The *Storthing* has received a telegram from Capt. Roald Amundsen, the Norwegian explorer.

The message, which was sent from Nome, Alaska, requested that 300,000 kroner be furnished for refitting the explorer's ship, the *Maud*, in order that he might continue his Arctic expedition.

CHILEAN BANK IS CLOSED.

SANTIAGO, Chile, June 18.—The Popular Bank, founded in 1887, closed its doors to-day and was declared bankrupt. It had accumulated commercial and industrial credits, its liabilities being about 10,000,000 pesos, with assets of about the same amount. It was decided to close the institution in view of the commercial and industrial conditions here.

NEW PLAN TO HALT TURKISH-GREEK WAR

Curzon and Briand See Menace to World Peace if Hostilities Continue.

Special Cable to THE NEW YORK HERALD, Copyright, 1921, by THE NEW YORK HERALD.

New York Herald Bureau, Paris, June 18.

British and French diplomats, with their heads together here to-day, decided to make another effort to stop the Graeco-Turkish war in the Near East. New peace proposals are about to be framed and submitted to the Turks and Greeks, and in the meantime Great Britain has agreed to withhold any aid from the Greeks despite her desire to protect the British position in Constantinople.

The new proposals will be framed before Lord Curzon, British Secretary of State for Foreign Affairs, leaves here, and it is intimated that the Greeks will be asked to withdraw their troops to a line surrounding Smyrna, with the pledge that they will accept allied mediation regarding minority rights and religious differences.

That the present hostilities constitute a real menace to world peace if they are allowed to proceed, involving great danger for France and Great Britain, with their Mohammedan dependencies, was in the minds of the statesmen here in framing this decision.

If the British were inclined to support the present Greek offensive in order to protect Constantinople, they have been temporarily dissuaded by Premier Briand's stand to-day, the French Premier intimating that his Government was opposed to acting in more than a mediatory capacity.

Apparently the Allies have decided to bargain again with Mustapha Kemal Pasha, head of the Turkish Nationalists, with England making the reservation that if he continues intractable Great Britain, because of her Eastern empire, may have to resupport the plan of aiding the Greeks financially.

Conversations continued all day to-day.

day between Lord Curzon and Premier Briand, with Count Benin-Longari, Italian Ambassador, participating in the discussion this afternoon.

There seems to have been no suggestion to-day about bargaining over Upper Silesia, but Premier Briand has made it plain that he wants this matter settled at these conferences. It is intimated that Great Britain will use her influence to withhold King Constantine's offensive, but that Lord Curzon has raised grave doubts regarding Great Britain's ability to control the Greeks.

By the Associated Press.

PARIS, June 18.—An official statement issued after the conference "between Premier Briand and Lord Curzon to-day fails to reveal the suggestions made by Lord Curzon, but it is understood that these include the giving of all Anatolia to the Turks and making the Vilayet of Smyrna autonomous. Should the Turks refuse this arrangement it is declared that financial aid will be given the Greeks in their offensive against the Nationalists.

The British Foreign Minister said that his Government had been using influence to bring about peace in the Near East.

AID TO CHINA BANK PUT UP TO DEPUTIES

French Government Will Not Act Without Approval.

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New York Herald Bureau, Paris, June 18.

The Banque Industrielle de Chine has not yet weathered its crisis, the French Government thus far refusing to make the advances necessary to pay off the subsidies which have been pressing for payment of their claims, despite all efforts of Far Eastern politicians to protect France's prestige in China and to prevent British and Hong Kong syndicates from entering the field, which hitherto has been wholly French. The Government has taken the stand that in order to help the bank it would necessitate a radical change in France's financial policy which would require the approval of Parliament. It will, therefore, put the problem squarely before the Deputies during the financial debate next week.

GERMAN VIEWPOINT ON TERMS CHANGED

Business Men Determined to Show Good Faith in Meeting Reparations.

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New York Herald Bureau, Berlin, June 18.

German business men are determined to meet the reparation demands of the Allies, even if Germany collapses under the strain, Hans Kraemer, vice-president of the National Economic Parliament and a prominent manufacturer, told THE NEW YORK HERALD correspondent.

Asked for the reason for this change from the previous attitude of evasion, Herr Kraemer answered that as long as it was possible to avoid capitulation many Germans resisted, but now that they are confronted with definite obligations they purpose to prove their good will in fulfilling them.

"Although the annual payments will reduce our budget fund by two-thirds," Herr Kraemer said, "yet partial stability has now followed the fixing of the total sum, thus putting an end to demoralization and uncertainty."

THE NEW YORK HERALD correspondent, on talking with German business men on the present outlook, found them anxiously awaiting the decision of the Government on the new taxation. Information from a reliable source indicates there will be probably a tax of 30 per cent. on business corporations, which until now have been exceptionally favored. Heavy punishment to prevent tax evasion, now extensive, is contemplated.

The principal difficulty is that of reaching German capital abroad, a problem not yet solved. German business men are disappointed over the fact that Dr. Walter Rathenau returned from his conference with Louis Loucheur, French Minister for the Liberated Regions, with orders for only 5,000 wooden houses, instead of opening the way for extensive collaboration by German industry. They accept, however, Dr. Rathenau's assurances that he would reduce red tape and would support the demands of German industries for participation in foreign markets wherever possible.

DANZIG IS MAKING ARMS FOR MEXICO

League of Nations Council Surprised That Municipality Is So Engaged.

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New York Herald Bureau, Geneva, June 18.

CONSTANTINOPLE, June 18.—Protest has been made by the Sublime Porte to the Allied High Commissioners against the Greek bombardment of the open towns of Samson, Sinope and Ineboli, on the Black Sea coast. He states the bombardment has caused loss of life and much damage.

Mustapha Kemal Pasha, leader of the Nationalists, and his staff are declared to have left Angora for the fighting front.

Two Italian battleships have been sent to Adalia to protect Italy's interests there. Italian troops along the Menderes River, south of Smyrna, are being withdrawn so the Greeks may not invade the demarcation line between the Greek and Italian zones as they did last year.

Dr. E. A. Yarrow, director of Near East relief at Tiflis, stated on his arrival here yesterday that he had been shown the utmost courtesy by the Bolsheviks, who were acting under orders from Moscow. He declared four conditions in Russia are no more than they were two years ago.

PARIS, June 18.—Russian Bolshevik forces sent to the assistance of the Turkish Nationalists by the Moscow Soviet Government are at present sixty miles west of Erzerum, former capital of Armenia, says a Reval despatch to the *Excelsior*. These forces consist of two divisions of infantry, one division and one brigade of cavalry, eight batteries of field guns, one battery of heavy cannon, several airplanes and the necessary technical units.

The Eleventh Soviet Army, numbering 80,000 and commanded by Gen. Levandowski, is said to be following at a short distance.

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New York Herald Bureau, Geneva, June 18.

GENEVA, June 18.—Ten thousand gun barrels being made by an arms factory in the free city of Danzig for Mexico caused a mild sensation at the meeting of the Council of the League of Nations to-day. Gabriel Hanotaux, the French representative, expressed in sharp terms his surprise that a municipality under the protection of the League of Nations was making war materials.

Herr Sahn, president of the free city explained that the order had been received last October, before the constitution of the city was adopted. He said it was difficult to change the factory immediately for the manufacture of other articles.

The council passed over the question to consider other problems relating to Danzig without announcing its decision. These questions took up almost the entire day.

There were nine questions relative to the administration and organization of the city of Danzig to come before the council. These centre for the most part about Polish appeals from decisions rendered by the Allied High Commissioners, and include problems regarding the manufacture and traffic in arms and the maintenance of Polish guards.

Austria to-day signed the protocol of the permanent court of international justice under the League of Nations. She was the thirty-eighth signatory, of whom seven have accepted the clause for compulsory jurisdiction over and arbitration of international disputes by the court.

Representatives of Poland and Lithuania also will outline the positions of those two countries relative to the future status of the city of Vilna and surrounding districts. Vilna has been occupied by Polish "irregular" troops for nearly a year, and representatives of the league have visited that city to determine the merit of the Polish and Lithuanian claims.

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Accordion pleated slip of crepe de chine with ecru lace; Georgette crepe overdrapery. In pastel colorings.

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Three Pairs 7.75

Superior quality sheer silk stockings in black, African brown or taupe, with silk sole and garter top.

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Three Pairs 8.50

In mottled colorings to match or blend with the dominant color of a sports costume. Blue, brown, black or green.

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A graceful surplice model of fine quality black satin with pin tucks.

Washable Chamisette
16-Button Gloves

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Extra fine quality with spear stitched backs, in white or cafe au lait.

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Formerly 2.50

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